

## Message Text

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ACTION ARA-14

INFO OCT-01 EUR-12 EA-12 ISO-00 CIAE-00 DODE-00 PM-05

H-02 INR-10 L-03 NSAE-00 NSC-05 PA-02 SP-02

SS-15 ICA-20 AF-10 NEA-10 AID-05 COME-00 EB-08

FRB-01 TRSE-00 XMB-04 OPIC-06 LAB-04 SIL-01

OMB-01 INT-05 GSA-02 CEA-01 STR-07 /168 W

-----115566 301429Z /45

R 291600Z APR 78

FM AMEMBASSY LA PAZ

TO RUEHCNKSECSTATE WASHDC 562

INFO AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY JAKARTA

UNCLAS LA PAZ 3429

EO 11652: NA

TAGS: EMIN, BL

SUBJECT: BOLIVIAN PRESS REACTIONS TO RECENT DEVELOPMENTS IN TIN

### 1. SUMMARY

THE BOLIVIAN PRESS HAS CONTINUED OVER THE PAST MORE THAN TWO WEEKS TO GIVE STRONG PLAY TO DEVELOPMENTS IN TIN. STORIES HAVE BEEN STRONGLY NEGATIVE REGARDING THE PENDING LEGISLATION IN THE US CONGRESS TO AUTHORIZE GSA TIN SALES AND THE US OPPOSITION TO AN INCREASE IN THE BUFFER STOCK PRICE RANGE AT THE APRIL ITC MEETING. END SUMMARY.

2. ON APRIL 7 EL DIARIO CARRIED A FRONTPAGE ARTICLE BASED ON AN INTERVIEW BETWEEN THE MINISTER OF MINES GEN ERNESTO CAMACHO AND AMBASSADOR BOEKER. THE ARTICLE STATED THE MINISTER TOLD THE AMBASSADOR THE GOB FAVORED WITHDRAWAL OF THE USG ANNOUNCEMENT OF GSA TIN SALES, AN INCREASE IN THE BUFFER STOCK PRICE RANGE AND ACCEPTANCE OF AN AUTOMATIC AND REGULAR MECHANISM IN THE ITC FOR PRICE REVIEW. DURING THE FOLLOWING SIX DAYS SEVERAL SMALL ARTICLES

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APPEARED REPORTING THE PRODUCERS MEETING IN JAKARTA AND DEPARTURE OF THE BOLIVIAN DELEGATION FOR LONDON. ON APRIL 13 ALL NEWSPAPERS CARRIED HEADLINES BASED ON A STATEMENT BY MINISTER OF MINES CAMACHO BEFORE THE ITC THAT BOLIVIA DOES NOT ACCEPT AND WILL NOT ACCEPT GSA TIN SALES. HE EXPLAINED THE GOB DESIRE FOR AN INCREASE IN THE ITC PRICE RANGE WAS BASED ON THE HIGH COST OF BOLIVIAN TIN PRODUCTION. THE

MINISTER ALSO ASKED FOR PERIODIC AND AUTOMATIC REVISION OF THE PRICE RANGE TO ASSURE FAIR AND STABLE PRICES BUT WITHOUT PUTTING IN JEOPARDY THE SOVEREIGN RIGHT OF PRODUCING STATES TO IMPOSE TAXES THAT ARE IN THEIR DEVELOPMENT INTEREST.

3. PRESS ARTICLES BRIEFLY COVERED US DELEGATE THIGPEN'S EXPLANATION OF US CONGRESSIONAL PROCEDURES RELATED TO TIN DISPOSAL LEGISLATION AND QUOTED LENAHAAN AS SAYING THE USG DIDN'T WANT TIN PRICES TO FALL TOO MUCH BECAUSE THE US WANTS TO BUY COPPER FOR THE STOCKPILE WITH REVENUES FROM TIN SALES. BY APRIL 15 ALL NEWSPAPERS WERE CARRYING ARTICLES ABOUT THE CONSUMER COUNTRIES REJECTION OF THE PRODUCERS REQUEST FOR AN INCREASE IN THE ITC PRICE RANGE AND REJECTION OF DISCRETIONARY POWERS FOR THE BUFFER STOCK MANAGER. HOY PRINTED TWO EDITORIALS OVER THE FOLLOWING DAYS ATTACKING THE CONSUMER POSITION AS THE DIALOGUE OF THE DEAF AS WELL AS THE CONTRAST WITH THE HUMAN RIGHTS POLICIES OF THE CARTER ADMINISTRATION. SEVERAL NEWSPAPERS CARRIED CARTOONS DEPICTING EVIL CONSUMERS REFUSING THE REQUEST OF THE HUMBLE PRODUCERS. SEVERAL ARTICLES APPEARED ON APRIL 18 REFERRING TO THE PAST-ITC MEETING OF PRODUCERS IN KUALA LUMPUR.

4. MINISTER OF MINES GENERAL CAMACHO HAS RETURNED FROM A TRIP TO BELGIUM AND GERMANY WHERE HE HAD GONE AFTER ATTENDING THE FIRST DAY OF THE ITC MEETING EARLIER IN APRIL IN LONDON. HE UNCLASSIFIED

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HAD GONE TO THESE COUNTRIES TO SIGN A CREDIT AGREEMENT TO HELP FINANCE A LEAD-SILVER SMELTER FOR ENAF (BELGIAN GOVERNMENT - \$2.4 MILLION, BANK OF BELIUM - \$47 MILLION, DEUTSCH SUDAMERICKA-NISCHE BANK - \$15 MILLION). ON APRIL 27 THE MINISTER HELD A PRESS CONFERENCE ON THE RESULTS OF THE MEETINGS OF THE ITC IN LONDON AND THE PRODUCERS IN JAKARTA WHICH WERE CARRIED ON THE FRONT PAGES OF ALL LA PAZ NEWSPAPERS THE FOLLOWING DAY. HE SAID THE RESULTS WERE NEGATIVE AND BOLIVIA WOULD STUDY WITHDRAAWING FROM THE ITC WHICH HAS BECOME MORE UNJUST AND UNBALANCED SINCE THE US ENTERED THE ORGANIZATION, ACCORDING TO THE PRESS REPORTS. HE REFERRED TO BOLIVIA'S SUPPORT OF AND THE US, JAPAN AND GERMANY'S OPPOSITION TO AN INCREASE IN THE ITC PRICE RANGE OR OPERATIONS BY THE BUFFER STOCK MANAGER IN THE MID RANGE.

5. CAMACHO LAMENTED THE LACK OF UNITY AMONG PRODUCERS WHO ASSUME A STANCE OF "INDESTRUCTABLE UNITY" AGAINST ANY ADVERSE PROPOSAL PRIOR TO ITC MEETINGS BUT THEN BREAKDOWN UNDER PRESSURE. HE ATTRIBUTED THIS TO THAILAND'S NEED FOR US MILITARY AID AND MALAYSIA'S DESIRE FOR FORMATION OF AN INTERNATIONAL RUBBER AGREEMENT FOR WHICH IT NEEDS US SUPPORT. THE MINISTER SAID THAT EACH ITC MEETING KEEPS DRIFTING AWAY FROM THE SPIRIT OF THE AGREEMENT DUE TO THE UNRESTRAINED ACTION OF A GROUP OF

CONSUMERS WHO ALMOST AT WILL, VETO AND POSTPONE THE NEEDS OF THE TIN INDUSTRY. THE MEETING ONLY RESULTS IN A GREAT PREOCCUPATION FOR THE FUTURE OF TIN, BECAUSE ACTIONS TAKEN AT THE ITC MEETING COULD BE CONSIDERED AS VIRTUAL SUPPORT FOR SALES OF NON-COMMERCIAL STOCKS. AT THE SAME TIME THERE WAS A NEGATIVE AND CLOSED ATTITUDE TOWARD THE UPDATING OF THE PRESENTLY INOPERATIVE BUFFER STOCK PRICE RANGE.

4. OTHER FRONT PAGE PRESS ARTICLES QUOTED US DELEGATES ALLAN WENDT AND STEPHEN LANDE AT THE CECON MEETING IN SANTO DOMINGO TO THE EFFECT THAT THE USG IS READY TO LOOK FOR SOLUTIONS TO PROBLEMS THAT EFFECT THE MARKETS FOR COPPER, ZINC AND TIN. THEY WERE QUOTED AS SAYING THE USG WAS WILLING TO NEGOTIATE A REDUCTION OF THE AUTHORIZATION FOR SALE BY GSA OF 45,000 LT  
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OF TIN DOWN TO 30,000 LT. THE ARTICLE QUOTED STATEMENTS BY US, CHILE AND PERU ON THE POSSIBLE RESTRICTION OF THE US MARKET TO COPPER IMPORTS.  
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## Message Attributes

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